
HOUSE BILL 1232

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By Representatives Alexander, Cody, Campbell, McMorris, Mielke, DeBolt, Romero, Edmonds, Skinner, Kagi and Haigh

Read first time 01/22/2001. Referred to Committee on Health Care.

1 AN ACT Relating to administrative costs of mental health services;
2 and amending RCW 71.24.035.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 71.24.035 and 1999 c 10 s 4 are each amended to read
5 as follows:

6 (1) The department is designated as the state mental health
7 authority.

8 (2) The secretary may provide for public, client, and licensed
9 service provider participation in developing the state mental health
10 program.

11 (3) The secretary shall provide for participation in developing the
12 state mental health program for children and other underserved
13 populations, by including representatives on any committee established
14 to provide oversight to the state mental health program.

15 (4) The secretary shall be designated as the county authority if a
16 county fails to meet state minimum standards or refuses to exercise
17 responsibilities under RCW 71.24.045.

18 (5) The secretary shall:

1 (a) Develop a biennial state mental health program that
2 incorporates county biennial needs assessments and county mental health
3 service plans and state services for mentally ill adults and children.
4 The secretary may also develop a six-year state mental health plan;

5 (b) Assure that any county community mental health program provides
6 access to treatment for the county's residents in the following order
7 of priority: (i) The acutely mentally ill; (ii) chronically mentally
8 ill adults and severely emotionally disturbed children; and (iii) the
9 seriously disturbed. Such programs shall provide:

10 (A) Outpatient services;

11 (B) Emergency care services for twenty-four hours per day;

12 (C) Day treatment for mentally ill persons which includes training
13 in basic living and social skills, supported work, vocational
14 rehabilitation, and day activities. Such services may include
15 therapeutic treatment. In the case of a child, day treatment includes
16 age-appropriate basic living and social skills, educational and
17 prevocational services, day activities, and therapeutic treatment;

18 (D) Screening for patients being considered for admission to state
19 mental health facilities to determine the appropriateness of admission;

20 (E) Employment services, which may include supported employment,
21 transitional work, placement in competitive employment, and other work-
22 related services, that result in mentally ill persons becoming engaged
23 in meaningful and gainful full or part-time work. Other sources of
24 funding such as the division of vocational rehabilitation may be
25 utilized by the secretary to maximize federal funding and provide for
26 integration of services;

27 (F) Consultation and education services; and

28 (G) Community support services;

29 (c) Develop and adopt rules establishing state minimum standards
30 for the delivery of mental health services pursuant to RCW 71.24.037
31 including, but not limited to:

32 (i) Licensed service providers;

33 (ii) Regional support networks; and

34 (iii) Residential and inpatient services, evaluation and treatment
35 services and facilities under chapter 71.05 RCW, resource management
36 services, and community support services;

37 (d) Assure that the special needs of minorities, the elderly,
38 disabled, children, and low-income persons are met within the
39 priorities established in this section;

1 (e) Establish a standard contract or contracts, consistent with
2 state minimum standards, which shall be used by the counties;

3 (f) Establish, ~~((to the extent possible, a standardized auditing
4 procedure which minimizes paperwork requirements of county
5 authorities))~~ by contract, a definition of administrative expenditures
6 applicable to the department, counties, and regional support networks.
7 Administrative expenditures for contracted mental health services by
8 the department, counties, and regional support networks in relation to
9 total contracted mental health expenditures shall not exceed twenty
10 percent;

11 (g) Establish a single audit methodology applicable to the
12 counties, regional support networks, and licensed service providers to
13 minimize administrative costs;

14 ~~((g))~~ (h) Develop and maintain an information system to be used
15 by the state, counties, and regional support networks that includes a
16 tracking method which allows the department and regional support
17 networks to identify mental health clients' participation in any mental
18 health service or public program on an immediate basis. The
19 information system shall not include individual patient's case history
20 files. Confidentiality of client information and records shall be
21 maintained as provided in this chapter and in RCW 71.05.390, 71.05.400,
22 71.05.410, 71.05.420, 71.05.430, and 71.05.440;

23 ~~((h))~~ (i) License service providers who meet state minimum
24 standards;

25 ~~((i))~~ (j) Certify regional support networks that meet state
26 minimum standards;

27 ~~((j))~~ (k) Periodically inspect certified regional support
28 networks and licensed service providers at reasonable times and in a
29 reasonable manner;

30 ~~((k))~~ (l) Fix fees to be paid by evaluation and treatment centers
31 to the secretary for the required inspections;

32 ~~((l))~~ (m) Monitor and audit counties, regional support networks,
33 and licensed service providers as needed to assure compliance with
34 contractual agreements authorized by this chapter; and

35 ~~((m))~~ (n) Adopt such rules as are necessary to implement the
36 department's responsibilities under this chapter.

37 (6) The secretary shall use available resources only for regional
38 support networks.

1 (7) Each certified regional support network and licensed service
2 provider shall file with the secretary, on request, such data,
3 statistics, schedules, and information as the secretary reasonably
4 requires. A certified regional support network or licensed service
5 provider which, without good cause, fails to furnish any data,
6 statistics, schedules, or information as requested, or files fraudulent
7 reports thereof, may have its certification or license revoked or
8 suspended.

9 (8) The secretary may suspend, revoke, limit, or restrict a
10 certification or license, or refuse to grant a certification or license
11 for failure to conform to: (a) The law; (b) applicable rules and
12 regulations; (c) applicable standards; or (d) state minimum standards.

13 (9) The superior court may restrain any regional support network or
14 service provider from operating without certification or a license or
15 any other violation of this section. The court may also review,
16 pursuant to procedures contained in chapter 34.05 RCW, any denial,
17 suspension, limitation, restriction, or revocation of certification or
18 license, and grant other relief required to enforce the provisions of
19 this chapter.

20 (10) Upon petition by the secretary, and after hearing held upon
21 reasonable notice to the facility, the superior court may issue a
22 warrant to an officer or employee of the secretary authorizing him or
23 her to enter at reasonable times, and examine the records, books, and
24 accounts of any regional support network or service provider refusing
25 to consent to inspection or examination by the authority.

26 (11) Notwithstanding the existence or pursuit of any other remedy,
27 the secretary may file an action for an injunction or other process
28 against any person or governmental unit to restrain or prevent the
29 establishment, conduct, or operation of a regional support network or
30 service provider without certification or a license under this chapter.

31 (12) The standards for certification of evaluation and treatment
32 facilities shall include standards relating to maintenance of good
33 physical and mental health and other services to be afforded persons
34 pursuant to this chapter and chapters 71.05 and 71.34 RCW, and shall
35 otherwise assure the effectuation of the purposes of these chapters.

36 (13)(a) The department, in consultation with affected parties,
37 shall establish a distribution formula that reflects county needs
38 assessments based on the number of persons who are acutely mentally
39 ill, chronically mentally ill, severely emotionally disturbed children,

1 and seriously disturbed. The formula shall take into consideration the
2 impact on counties of demographic factors in counties which result in
3 concentrations of priority populations as set forth in subsection
4 (5)(b) of this section. These factors shall include the population
5 concentrations resulting from commitments under chapters 71.05 and
6 71.34 RCW to state psychiatric hospitals, as well as concentration in
7 urban areas, at border crossings at state boundaries, and other
8 significant demographic and workload factors.

9 (b) The formula shall also include a projection of the funding
10 allocations that will result for each county, which specifies
11 allocations according to priority populations, including the allocation
12 for services to children and other underserved populations.

13 (14) The secretary shall assume all duties assigned to the
14 nonparticipating counties under chapters 71.05, 71.34, and 71.24 RCW.
15 Such responsibilities shall include those which would have been
16 assigned to the nonparticipating counties under regional support
17 networks.

18 The regional support networks, or the secretary's assumption of all
19 responsibilities under chapters 71.05, 71.34, and 71.24 RCW, shall be
20 included in all state and federal plans affecting the state mental
21 health program including at least those required by this chapter, the
22 medicaid program, and P.L. 99-660. Nothing in these plans shall be
23 inconsistent with the intent and requirements of this chapter.

24 (15) The secretary shall:

25 (a) Disburse funds for the regional support networks within sixty
26 days of approval of the biennial contract. The department must either
27 approve or reject the biennial contract within sixty days of receipt.

28 (b) Enter into biennial contracts with regional support networks.
29 The contracts shall be consistent with available resources. No
30 contract shall be approved that does not include progress toward
31 meeting the goals of this chapter by taking responsibility for: (i)
32 Short-term commitments; (ii) residential care; and (iii) emergency
33 response systems.

34 (c) Allocate one hundred percent of available resources to the
35 regional support networks in accordance with subsection (13) of this
36 section.

37 (d) Notify regional support networks of their allocation of
38 available resources at least sixty days prior to the start of a new
39 biennial contract period.

1 (e) Deny funding allocations to regional support networks based
2 solely upon formal findings of noncompliance with the terms of the
3 regional support network's contract with the department. Written
4 notice and at least thirty days for corrective action must precede any
5 such action. In such cases, regional support networks shall have full
6 rights to appeal under chapter 34.05 RCW.

7 (f) Identify in its departmental biennial operating and capital
8 budget requests the funds requested by regional support networks to
9 implement their responsibilities under this chapter.

10 (16) The department, in cooperation with the state congressional
11 delegation, shall actively seek waivers of federal requirements and
12 such modifications of federal regulations as are necessary to allow
13 federal medicaid reimbursement for services provided by free-standing
14 evaluation and treatment facilities certified under chapter 71.05 RCW.
15 The department shall periodically report its efforts to the health care
16 and corrections committee of the senate and the human services
17 committee of the house of representatives.

18 (17) The secretary shall establish a task force to examine the
19 recruitment, training, and compensation of qualified mental health
20 professionals in the community, which shall include the advantages and
21 disadvantages of establishing a training academy, loan forgiveness
22 program, or educational stipends offered in exchange for commitments of
23 employment in mental health.

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